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SPECIAL REPORT

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TIME FOR BOSTON TO CALL IN ITS MARKERS FROM THE STATE

Boston faces a potential revenue shortage if its schools are to stay open now and further problems after July 1, when Proposition 2½ becomes effective. A broad range of actions must be taken to cope with this problem, and one part of that should be state payment of \$25.7 million owed the city for this and past years. That includes \$14 million in urban renewal grants, \$9.6 million for court maintenance, \$1.7 million for care of state prisoners and \$394,000 for other state court services such as jury selection. Since the money owed for these reimbursements is subject to appropriation, requests for funds should be included in the state's deficiency budget to be passed later this year.

Urban Renewal Assistance Grants - \$14 Million Outstanding

Massachusetts has a program which calls for state assistance on approved federal urban renewal projects up to one-half of the local share or one-sixth of the net project cost. The grants are payable in 20 equal installments. Boston has 16 federal urban renewal projects on which half of the local share totals \$77.6 million. However, the state has agreed to fund only \$32.3 million. The \$45.3 million difference is due to a provision of the law that limits the total grants paid statewide in any one fiscal year to \$3.5 million and the aggregate grants paid over the 20-year period to \$70 million.

In the latest state audit of the Boston Redevelopment Authority on September 5, 1980, the Auditor stated that the Commonwealth owes the city of Boston \$12,362,739 for outstanding urban renewal assistance grants as of September 30, 1979. That total has since increased to around \$14 million. Statewide the outstanding grants amount to more than \$20 million. For Boston and other Massachusetts communities to be paid what is owed, the annual grant limit must be eliminated. The state share should not be capped but should be subject to appropriation, as would be required in House Bill 2252, now before the Legislature's Urban Affairs Committee.

Court Maintenance - \$9.6 Million for FY 1980 & 1981

The 1978 state court reorganization law, Chapter 478, was intended in part to provide property tax relief for the cities and towns. One part of that law provided for payment of rent for county court facilities. However, the state's proposed rents have been inadequate and none of the fourteen counties has agreed to a lease. As a result all expenses for operating county court facilities have continued to be paid by local property taxes.

Chapter 478 states that "all costs of maintenance and operation of the judicial branch shall be paid by the Commonwealth." It also specifies that the rent paid "shall be equitably established taking into account the cost of maintenance, repairs, utilities and the annual debt service." In FY 1980 the Legislature approved an overall

rental payment of \$1.40 per sq. ft.--nowhere near the equitable return promised under the law. Four counties and the city of Boston have filed a suit over the inadequacy of that payment level. This year the Legislature approved a rent of \$5.60 per sq. ft.--still well below operating costs.

The city of Boston pays for the maintenance of the Suffolk County Courthouse at Pemberton Square and seven district courthouses. The Research Bureau estimated that the city spent at least \$5.2 million to service the judicial branch in FY 1980. Since no rent was received, these costs were paid from property taxes and represented \$2.96 on the tax rate. For FY 1981 the Bureau estimates these court costs will be about \$5.4 million. Without jeopardizing the status of its appeal, the city in January accepted \$960,923 for the rental of the new Court House. This amount translates into a rent of \$2.03 per sq. ft.

Early this month the state Supreme Judicial Court reversed the rental decision of the State Superintendent of Buildings and ordered him to establish a new rent consistent with the legislation. However, the court did caution that "any lease and any decision of the Superintendent would be subject to the availability of appropriated funds."

Department of Corrections "Safekeeps" - Total Reimbursements \$1,745,238

Until recently, because of the overcrowding at state correctional institutions at Walpole and Concord, a person sentenced to either facility was often housed at the Suffolk County Jail until space became available. The expense of maintaining these Department of Corrections "safekeeps" was absorbed in the Suffolk County budget and not reimbursed by the state. The Suffolk County Sheriff has determined that the cost for maintaining the safekeeps in the Charles Street Jail since 1977 is about \$1.7 million. While the Sheriff accepted these safekeeps, they were really state prisoners and the cost of servicing them should be reimbursed by the state, not born by the city of Boston taxpayers.


Juror Costs - \$394,000

State assumption of court costs should also include reimbursement to the city for other expenses not included in court maintenance. One example is juror selection now funded by Boston. The city's Election Department incurs costs for man-hours and materials in the jury selection process. The city estimates these costs to be around \$180,000 in both FY 1980 and 1981. In addition the Treasury Department will spend about \$17,000 in both years in data processing and audit functions related to juror payment.

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